

CITY OF HELOTES, TEXAS

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2013**



CITY OF HELOTES, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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CITY OF HELOTES, TEXAS

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR	THOMAS A. SCHOOLCRAFT
MAYOR PRO-TEM	BERT BUYS
CITY COUNCIL	EDWARD VILLANUEVA
	ALEX BLUE
	CYNTHIA MASSEY
	PAUL FRIEDRICHS
CITY ADMINISTRATOR	RICK A. SCHRODER
ATTORNEY	DAVIDSON, TROILO, REAM & GARZA P.C.
AUDITOR	ARMSTRONG, VAUGHAN & ASSOCIATES, P.C.





INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Helotes, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Helotes, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City of Helotes' management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Helotes, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

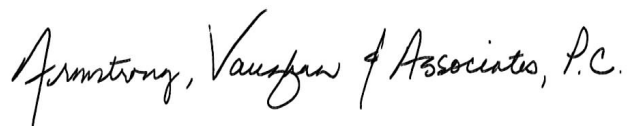
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and schedule of funding progress as identified in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Helotes' financial statements as a whole. The comparative statements and statistical section are presented for purposes of additional analysis and are not a required to be part of the financial statements. The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

January 31, 2014



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Helotes' annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2013. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

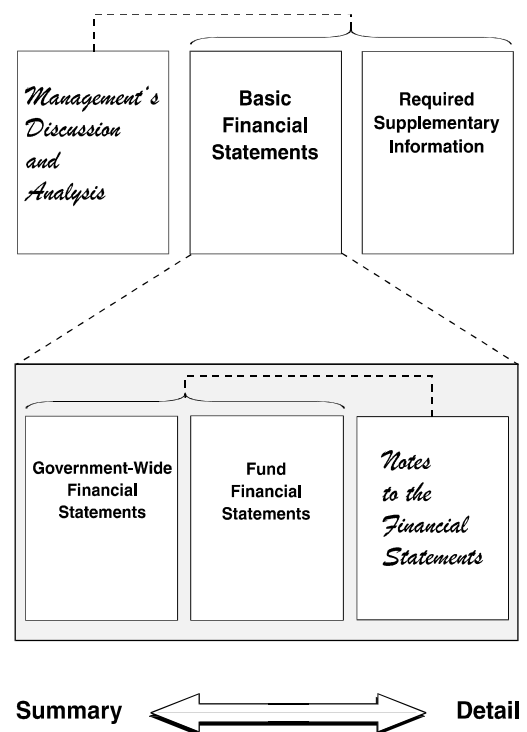
- The City's total combined net position was \$5,095,716 at September 30, 2013.
- During the year, the City's governmental activities expenses increased 4% from the prior year, but were \$445,818 less than the \$5,597,114 generated in taxes and other revenues from governmental activities.
- During the year, the City's two business-type activities (Dispatch and Emergency Medical Services) expenses increased 9% and exceeded, pursuant to the FYE 2013 Budget, their revenues by \$684,165.
- The City's total governmental expenditures increased approximately 4% from the prior year. This included the General Fund, the Economic Development Fund, Debt Service Fund, and the non-major funds. The General Fund's operating expenditures increased by 6% from the prior year.
- The General Fund reported a fund balance this year of \$3,012,454.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term*, as well as what remains for future spending.
- *Proprietary fund statements* offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*.

Figure A-1, Required Components of the City's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements			
Type of Statements	Government-wide	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private business: Dispatch and Emergency Medical Service
Required financial statements	• Statement of Net Position	• Balance Sheet	• Statement of Net Position
	• Statement of Activities	• Statement of Revenues, Expenditures & Changes in Fund Balances	• Statement of Revenues, Expenses & Changes in Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government’s assets, deferred outflows of resources, deferred inflows of resources, and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City’s net position and how it has changed. Net position—the difference between the City’s assets, deferred outflows of resources, deferred inflows of resources, and liabilities—is one way to measure the City’s financial health or *position*.

- Over time, increases or decreases in the City’s net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional non-financial factors, such as changes in the City’s tax base.

The government-wide financial statements of the City include the *Governmental activities* (most of the City’s basic services are included here, such as the police department, fire department and City administration) and *Business-type activities* (services designed to generate sufficient revenues to cover associated costs: dispatch and emergency medical services). Property taxes, sales taxes, franchise fees, municipal court fines, and permits finance most of the *Governmental activities* while charges for services finance most of the *Business-type activities*.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

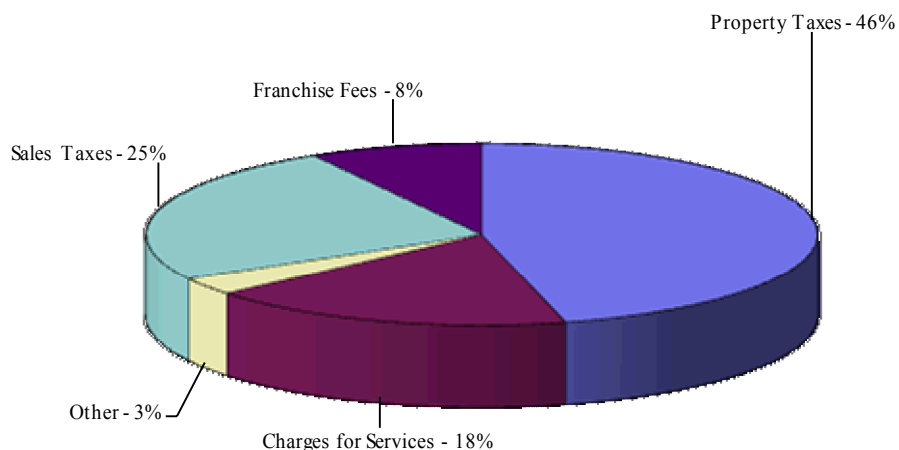
Net Position. The City's combined net position was \$5,095,716 at September 30, 2013. (See Table A-1). The \$1,987,767 of unrestricted net position represents resources available to fund the programs of the City next year.

Table A-1
City of Helotes Net Position
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2013-2012
Current assets:							
Cash and Cash Equivalents	\$ 1,777	\$ 1,204	\$ 222	\$ 222	\$ 1,999	\$ 1,426	40.2%
Other Current Assets	2,416	2,453	(1,671)	(1,066)	745	1,387	-46.3%
Other Assets	-	69	-	-	-	69	-100.0%
Capital Assets	11,134	11,606	391	451	11,525	12,057	-4.4%
Total Assets	15,327	15,332	(1,058)	(393)	14,269	14,939	-4.5%
Deferred Inflows of Resources:							
Unavailable Revenue - Lease	117	120	-	-	117	120	-2.1%
Total Deferred Inflows	117	120	-	-	117	120	-2.1%
Current Liabilities	428	371	53	34	481	405	18.8%
Non-Current Liabilities:							
Due within One Year	609	567	-	-	609	567	7.4%
Due in more than One Year	7,966	8,513	-	-	7,966	8,513	-6.4%
Total Liabilities	9,003	9,451	53	34	9,056	9,485	-4.5%
Net Position:							
Net Investment in Capital Assets	2,560	2,526	391	451	2,951	2,977	-0.9%
Restricted	157	125	-	-	157	125	25.6%
Unrestricted	3,490	3,110	(1,502)	(878)	1,988	2,232	-11.0%
Total Net Position	\$ 6,207	\$ 5,761	\$ (1,111)	\$ (427)	\$ 5,096	\$ 5,334	-4.5%

Changes in Net Position. The City's total revenues were \$5,738,520. A significant portion, 71%, of the City's revenue comes from property and sales taxes, while 18% relates to charges for services (See Figure A-3).

Figure A-3 City of Helotes
Revenue Sources for Fiscal Year 2013



The total cost of all programs and services was \$5,976,867. 45% of these costs are for Police and Fire Protection. The difference between total revenues and expenses results in a FYE 2013 deficit of \$238,347. The majority of said deficit is attributable to lower than expected municipal court collections and the decision to fully fund – rather than finance – police department audio/video equipment.

Table A-2
Changes in City of Helotes' Net Position
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2013-2012
Primary Government:							
City Council	\$ 3	\$ 2	\$ -	\$ -	\$ 3	\$ 2	50.0%
City Administration	831	777	-	-	831	777	6.9%
City Secretary	100	93	-	-	100	93	7.0%
Human Resources	14	13	-	-	14	13	11.1%
Municipal Court	270	273	-	-	270	273	-1.2%
Animal Control, Public Works	433	418	-	-	433	418	3.7%
Development Services	94	52	-	-	94	52	80.6%
Building and Grounds	324	297	-	-	324	297	9.2%
Police Department	1,559	1,546	-	-	1,559	1,546	0.8%
Fire Department	1,107	1,121	-	-	1,107	1,121	-1.3%
Interest and Fiscal Charges on LT Debt	417	373	-	-	417	373	11.7%
Dispatch	-	-	370	320	370	320	15.7%
Emergency Medical Services	-	-	455	440	455	440	3.5%
Total Governmental Activities	<u>5,152</u>	<u>4,965</u>	<u>826</u>	<u>760</u>	<u>5,978</u>	<u>5,725</u>	4.4%
Program Revenues:							
Charges for Services	874	845	142	184	1,016	1,029	-1.3%
Operating Grants & Contributions	9	11	-	-	9	11	-21.2%
Capital Grants & Contributions	-	-	-	-	-	-	0.0%
General Revenues:							
General Property Tax	2,639	2,635	-	-	2,639	2,635	0.2%
Sales Taxes	1,424	1,055	-	-	1,424	1,055	35.0%
Franchise Taxes	477	443	-	-	477	443	7.8%
Investment Earnings	6	8	-	-	6	8	-27.6%
Miscellaneous	168	101	-	-	168	101	66.3%
Transfers	-	-	-	-	-	-	0.0%
Total Revenues and Transfers	<u>5,597</u>	<u>5,098</u>	<u>142</u>	<u>184</u>	<u>5,739</u>	<u>5,282</u>	8.7%
Change in Net Position	445	133	(683)	(576)	(239)	(443)	-46.2%
Net Position at Beginning of Year	5,762	5,629	(428)	148	5,334	5,777	-7.7%
Net Position of Year End	<u>\$ 6,207</u>	<u>\$ 5,762</u>	<u>\$ (1,111)</u>	<u>\$ (428)</u>	<u>\$ 5,095</u>	<u>\$ 5,334</u>	-4.5%

Governmental Activities

- Property tax rates decreased by 0.005 per \$100 of valuation, however, property tax revenues increased by \$4,221 due to increase in assessed valuations.

Table A-3 presents the cost of each of the City's functions, as well as each function's net cost (total cost less fees generated by the activities). The net cost reflects what revenues funded.

- The cost of all *governmental* activities this year was \$5,151,296.
- The amount of these activities that was paid for by taxpayers through property taxes was only \$2,639,461 (51%).
- 17% of the cost, \$873,573, was paid by those who directly benefited from the programs and activities through direct charges for services.

Table A-3
Net Cost of Selected City Functions
(In thousands dollars)

	Total Cost of Services			Net Cost of Services		
	2013	2012	% Change	2013	2012	% Change
<i>Governmental</i>						
City Council	\$ 3	\$ 2	50.0%	\$ 3	\$ 2	44.6%
City Administration	831	777	6.9%	831	777	6.9%
City Secretary	100	93	7.0%	100	93	7.0%
Human Resources	15	13	100.0%	15	13	18.8%
Municipal Court	270	273	-1.2%	10	(91)	-110.7%
Animal Control, PW	433	418	3.7%	429	415	3.4%
Development Services	94	52	80.6%	(391)	(301)	29.8%
Building and Grounds	324	297	9.2%	324	297	9.2%
Police Department	1,559	1,546	0.8%	1,501	1,487	0.9%
Fire Department	1,107	1,121	-1.3%	1,032	1,044	-1.2%
<i>Business-Type</i>						
Dispatch	370	320	100.0%	365	251	45.5%
Emergency Medical	455	440	100.0%	319	325	-1.9%

Business-Type Activities

The City began two activities in the 2011 fiscal year for Dispatch and Emergency Medical Services. The City plans to generate enough charges for services from these activities to cover the cost a third party subcontractor would charge for the same services. The two activities have borrowed money from the General fund to cover the initial costs. During the third year of operations, expenses exceeded revenues for these programs by \$684,165, and the general fund covered approximately \$445,000 of said expenses.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled \$5,595,435, an increase of 10% over the prior year. The increase is primarily due to increases in sales tax and licenses and permits.

General Fund Budgetary Highlights

Actual revenues fell short of the budget by \$133,367, and actual expenditures were over budget by \$56,513. The budget was amended during the year to increase expenditures that were expected to be covered by an increase in estimated revenues. Nevertheless, General Fund revenues for the fiscal year ended September 30, 2013 exceeded expenditures by \$340,163 resulting in an increase in the General Fund balance. In all, the General Fund balance increased by \$424,503 for the fiscal year ended September 30, 2013, from \$2.588 million to \$3.012 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2013, the City had invested \$22,192,748 in a broad range of capital assets, including land, buildings, vehicles, equipment, and infrastructure (see table A-4). This amount, less accumulated depreciation, results in a net capital asset value of \$11,524,976.

Table A-4
City of Helotes's Capital Assets
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2013-2012
Land	\$ 1,561	\$ 1,561	\$ -	\$ -	\$ 1,561	\$ 1,561	0.0%
Buildings and Improvements	6,768	6,768	-	-	6,768	6,768	0.0%
Vehicles and Equipment	2,447	2,302	581	581	3,028	2,883	5.0%
Infrastructure	10,835	10,835	-	-	10,835	10,835	0.0%
Totals at historical cost	21,611	21,466	581	581	22,193	22,047	0.7%
Total accumulated depreciation	(10,477)	(9,861)	(191)	(131)	(10,668)	(9,992)	6.8%
Net Capital Assets	<u>\$ 11,134</u>	<u>\$ 11,605</u>	<u>\$ 391</u>	<u>\$ 450</u>	<u>\$ 11,525</u>	<u>\$ 12,055</u>	-4.4%

Long Term Debt. At year-end the City had \$8,450,000 in bonds outstanding as shown in Table A-5. More detailed information about the City's debt is presented in the notes to the financial statements.

Table A-5
City's Long-Term Debt
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2013-2012
Bonds Payable	\$ 8,450	\$ 8,975	\$ -	\$ -	\$ 8,450	\$ 8,975	-5.8%
Total Bonded Debt	<u>\$ 8,450</u>	<u>\$ 8,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,450</u>	<u>\$ 8,975</u>	<u>-5.8%</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City adopted an ad valorem tax rate of 0.350000 per \$100 of valuation for the FYE 2014 general fund budget, a decrease of 0.005000 per \$100 of valuation in FYE 2013. As sales tax revenues continue to rise, this slight decrease in the ad valorem tax rate resulted in a nominal reduction in total ad valorem collections; however, the City Council believed the decrease to be a positive step in its attempt to balance sales and property tax collections.

General operating fund expenditures increased in the FYE 2014 budget from \$4.088 million in FYE 2013 to \$4.393 million. The City continues to operate stand-alone Dispatch and Emergency Medical Service Departments. Currently, the City provides one third-party agency with dispatch services and remains committed to recruiting additional third-party agencies to make the Dispatch Department as cost-neutral to the City as possible. Further, the City is encouraged by the fact that stand-alone emergency medical services will continue to cost less than originally proposed by the City of San Antonio for the same service.

Lastly, total budgeted revenues for FYE 2014 are expected to exceed budgeted FYE 2013 revenues by approximately \$367,000, from \$4.748 million in 2013 to \$5.115 million in 2014. This increase is primarily due to higher sales tax collections and increasing franchise fees related to a growing population and business community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at the City of Helotes, P.O. Box 507, Helotes, Texas, 78023.

CITY OF HELOTES
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2013

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements, as required by the GASB. The sets of statements include:

- Government – wide financial statements
- Fund financial statements:
 - Governmental funds; and
 - Proprietary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 1,777,276	\$ 222,430	\$ 1,999,706
Certificates of Deposit	245,000	-	245,000
Receivables (Net of Allowances for Uncollectibles)			
Property Taxes	40,071	-	40,071
Other Receivables	395,786	55,548	451,334
Internal Balances	1,732,232	(1,732,232)	-
Prepaid Items	2,184	5,315	7,499
Capital Assets:			
Land	1,561,140	-	1,561,140
Buildings	6,768,045	-	6,768,045
Vehicles & Equipment	2,446,987	581,398	3,028,385
Infrastructure	10,835,178	-	10,835,178
Accumulated Depreciation	(10,477,180)	(190,592)	(10,667,772)
TOTAL ASSETS	\$ 15,326,719	\$ (1,058,133)	\$ 14,268,586

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Liabilities:</i>			
Accounts Payable	\$ 77,169	\$ 2,914	\$ 80,083
Accrued Liabilities	70,888	12,882	83,770
Accrued Compensated Absences	221,951	37,247	259,198
Accrued Interest Payable	57,951	-	57,951
<i>Noncurrent Liabilities:</i>			
Due within One Year	608,787	-	608,787
Due in More than One Year	7,965,637	-	7,965,637
TOTAL LIABILITIES	9,002,383	53,043	9,055,426
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Lease	117,444	-	117,444
TOTAL DEFERRED INFLOWS OF RESOURCES	117,444	-	117,444
NET POSITION			
Net Investment in Capital Assets	2,559,746	390,806	2,950,552
Restricted for:			
Debt Service	70,931	-	70,931
Police, Municipal Court and School Crossing	54,764	-	54,764
PEG Capital Fees	31,702	-	31,702
Unrestricted (Deficit)	3,489,749	(1,501,982)	1,987,767
TOTAL NET POSITION	\$ 6,206,892	\$ (1,111,176)	\$ 5,095,716

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions and Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
City Council	\$ 2,891	\$ -	\$ -
City Administration	830,758	-	-
City Secretary	99,534	-	-
Human Resources	14,445	-	-
Municipal Court	269,700	259,967	-
Animal Control, Public Works	433,462	4,464	-
Development Services	93,908	484,609	-
Buildings and Grounds	324,282	-	-
Police Department	1,558,849	49,452	8,665
Fire Department	1,106,778	75,081	-
Interest and Fiscal Fees on Long-term Debt	416,689	-	-
Total Governmental Activities	5,151,296	873,573	8,665
Business-Type Activities:			
Dispatch	370,269	5,001	-
Emergency Medical Services	455,302	136,337	-
Total Business-Type Activities:	825,571	141,338	-
Total Primary Government	\$ 5,976,867	\$ 1,014,911	\$ 8,665
General Revenues:			
Taxes:			
General Property Taxes			
Sales Taxes			
Franchise Taxes			
Interest and Investment Earnings			
Miscellaneous			
Total General Revenues			
Change in Net Position			
Net Position (Deficit) at Beginning of Year			
Net Position (Deficit) at End of Year			

See accompanying notes to basic financial statements.

Net Revenue (Expense)		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,891)	\$ -	\$ (2,891)
(830,758)	-	(830,758)
(99,534)	-	(99,534)
(14,445)	-	(14,445)
(9,733)	-	(9,733)
(428,998)	-	(428,998)
390,701	-	390,701
(324,282)	-	(324,282)
(1,500,732)	-	(1,500,732)
(1,031,697)	-	(1,031,697)
(416,689)	-	(416,689)
<u>(4,269,058)</u>	<u>-</u>	<u>(4,269,058)</u>
-	(365,268)	(365,268)
<u>-</u>	<u>(318,965)</u>	<u>(318,965)</u>
<u>-</u>	<u>(684,233)</u>	<u>(684,233)</u>
2,639,461	-	2,639,461
1,424,354	-	1,424,354
477,344	-	477,344
5,791	68	5,859
167,926	-	167,926
<u>4,714,876</u>	<u>68</u>	<u>4,714,944</u>
445,818	(684,165)	(238,347)
5,761,074	(427,011)	5,334,063
<u>\$ 6,206,892</u>	<u>\$ (1,111,176)</u>	<u>\$ 5,095,716</u>

CITY OF HELOTES, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
ASSETS			
Cash and Investments	\$ 920,581	\$ 544,321	\$ 119,642
Certificates of Deposit	245,000	-	-
Receivables:			
Property Taxes (Net of Uncollectibles)	30,831	-	9,240
Sales Tax and Other Receivable	306,597	89,189	-
Due from Other Funds	1,791,651	-	-
Prepaid Items	1,744	440	-
TOTAL ASSETS	<u>\$ 3,296,404</u>	<u>\$ 633,950</u>	<u>\$ 128,882</u>
LIABILITIES			
<i>Liabilities:</i>			
Accounts Payable	\$ 71,955	\$ 4,964	\$ -
Accrued Liabilities	64,877	6,011	-
Unavailable Revenue - Taxes	29,674	-	8,893
Due to Other Funds	-	59,419	-
TOTAL LIABILITIES	<u>166,506</u>	<u>70,394</u>	<u>8,893</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Lease	<u>117,444</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>117,444</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Prepaid Items	1,744	440	-
Restricted for:			
Court Technology and Security	15,665	-	-
School Crossing	33,813	-	-
Police Department	5,286	-	-
PEG Capital Fees	31,702	-	-
Economic Development Corporation	-	563,116	-
Debt Service	-	-	119,989
Committed for:			
Capital Projects	-	-	-
Unassigned	<u>2,924,244</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>3,012,454</u>	<u>563,556</u>	<u>119,989</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,296,404</u>	<u>\$ 633,950</u>	<u>\$ 128,882</u>

See accompanying notes to basic financial statements.

<u>Nonmajor Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 192,732	\$ 1,777,276
-	245,000
-	40,071
-	395,786
-	1,791,651
-	2,184
<u>\$ 192,732</u>	<u>\$ 4,251,968</u>
\$ 250	\$ 77,169
-	70,888
-	38,567
-	59,419
<u>250</u>	<u>246,043</u>
<u>-</u>	<u>117,444</u>
<u>-</u>	<u>117,444</u>
-	2,184
-	15,665
-	33,813
-	5,286
-	31,702
-	563,116
-	119,989
192,482	192,482
-	2,924,244
<u>192,482</u>	<u>3,888,481</u>
<u>\$ 192,732</u>	<u>\$ 4,251,968</u>



CITY OF HELOTES, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 3,888,481
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	11,134,170
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.	38,567
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the governmental funds.	(221,951)
Long-term liabilities, including bonds and capital leases are not due and payable in the current period and, therefore, not reported in the governmental funds.	(8,574,424)
Accrued interest payable on long-term bonds are not due and payable in the current period and, therefore, not reported in the governmental funds.	<u>(57,951)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$ 6,206,892</u></u>

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Major Funds		
	General Fund	Economic Development Corporation	Debt Service Fund
REVENUES			
Taxes	\$ 2,987,294	\$ 465,886	\$ 608,958
Franchise Fees	477,344	-	-
Licenses and Permits	489,073	-	-
Municipal Court	309,419	-	-
Fire Department Interlocal Agreement	75,081	-	-
Interest	3,767	1,442	237
Miscellaneous	172,989	-	-
TOTAL REVENUES	<u>4,514,967</u>	<u>467,328</u>	<u>609,195</u>
EXPENDITURES			
Current:			
City Council	2,891	-	-
City Administration	673,778	100,271	-
City Secretary	97,265	-	-
Human Resources	14,445	-	-
Municipal Court	263,895	-	-
Animal Control, Public Works	206,188	-	-
Development Services	92,557	-	-
Building and Grounds	251,854	-	-
Police Department	1,449,750	-	-
Fire Department	951,384	-	-
Capital Outlay	99,228	-	-
Debt Service:			
Principal	64,902	-	525,000
Interest and Fiscal Charges	6,667	-	344,777
TOTAL EXPENDITURES	<u>4,174,804</u>	<u>100,271</u>	<u>869,777</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>340,163</u>	<u>367,057</u>	<u>(260,582)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from Capital Lease	84,340	-	-
Transfers In (Out)	-	(328,413)	293,413
TOTAL OTHER FINANCING SOURCES (USES)	<u>84,340</u>	<u>(328,413)</u>	<u>293,413</u>
Net Change in Fund Balance	424,503	38,644	32,831
FUND BALANCES - OCTOBER 1	<u>2,587,951</u>	<u>524,912</u>	<u>87,158</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ 3,012,454</u>	<u>\$ 563,556</u>	<u>\$ 119,989</u>

See accompanying notes to basic financial statements.

<u>Nonmajor Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ 4,062,138
-	477,344
-	489,073
-	309,419
-	75,081
345	5,791
3,600	176,589
<u>3,945</u>	<u>5,595,435</u>
-	2,891
-	774,049
-	97,265
-	14,445
-	263,895
-	206,188
-	92,557
-	251,854
-	1,449,750
-	951,384
12,315	111,543
-	589,902
-	351,444
<u>12,315</u>	<u>5,157,167</u>
<u>(8,370)</u>	<u>438,268</u>
-	84,340
35,000	-
<u>35,000</u>	<u>84,340</u>
26,630	522,608
<u>165,852</u>	<u>3,365,873</u>
<u>\$ 192,482</u>	<u>\$ 3,888,481</u>



CITY OF HELOTES, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	522,608
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay.		(471,529)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		1,677
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Repayments on Bonds & Leases Payable		589,902
Proceeds from Capital Lease		(84,340)
Amortization of Bond Issuance Cost		(69,024)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences		(47,255)
Accrued Interest		3,779

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$	445,818
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See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Dispatch Fund	Emergency Medical Services	Total Enterprise Funds
ASSETS			
<i>Current Assets:</i>			
Cash and Investments	\$ 112,914	\$ 109,516	\$ 222,430
Receivables:			
Charges for Services (net)	831	54,717	55,548
Prepaid Items	2,926	2,389	5,315
<i>Total Current Assets</i>	<u>116,671</u>	<u>166,622</u>	<u>283,293</u>
Capital Assets (net)	<u>273,430</u>	<u>117,376</u>	<u>390,806</u>
TOTAL ASSETS	<u>390,101</u>	<u>283,998</u>	<u>674,099</u>
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	3	2,911	2,914
Accrued Liabilities	6,250	6,632	12,882
Accrued Compensated Absences	8,954	28,293	37,247
Due to Other Funds	<u>813,908</u>	<u>918,324</u>	<u>1,732,232</u>
TOTAL LIABILITIES	<u>829,115</u>	<u>956,160</u>	<u>1,785,275</u>
NET POSITION			
Net Investment in Capital Assets	273,430	117,376	390,806
Unrestricted, (Deficit)	<u>(712,444)</u>	<u>(789,538)</u>	<u>(1,501,982)</u>
TOTAL NET POSITION (DEFICIT)	<u><u>\$ (439,014)</u></u>	<u><u>\$ (672,162)</u></u>	<u><u>\$ (1,111,176)</u></u>

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Dispatch Fund	Emergency Medical Services	Total Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$ 5,001	\$ 136,337	\$ 141,338
TOTAL OPERATING REVENUES	<u>5,001</u>	<u>136,337</u>	<u>141,338</u>
OPERATING EXPENSES			
Personnel	292,328	350,197	642,525
Contractual Services	16,048	26,347	42,395
Supplies and Maintenance	16,727	39,229	55,956
Uncollectible Expense	4,152	20,604	24,756
Depreciation	41,014	18,925	59,939
TOTAL OPERATING EXPENSES	<u>370,269</u>	<u>455,302</u>	<u>825,571</u>
OPERATING INCOME (LOSS)	<u>(365,268)</u>	<u>(318,965)</u>	<u>(684,233)</u>
NONOPERATING REVENUE (EXPENSE)			
Interest Income	-	68	68
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>-</u>	<u>68</u>	<u>68</u>
NET INCOME (LOSS)	(365,268)	(318,897)	(684,165)
NET POSITION (DEFICIT) - OCTOBER 1	<u>(73,746)</u>	<u>(353,265)</u>	<u>(427,011)</u>
NET POSITION (DEFICIT) - SEPTEMBER 30	<u><u>\$ (439,014)</u></u>	<u><u>\$ (672,162)</u></u>	<u><u>\$ (1,111,176)</u></u>

See accompanying notes to basic financial statements.



CITY OF HELOTES, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Dispatch Fund	Emergency Medical Services	Total Enterprise Funds
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Cash Received from Customers	\$ 4,170	\$ 101,896	\$ 106,066
Cash Paid to Suppliers	(35,953)	(67,031)	(102,984)
Cash Paid to Employees	(284,363)	(339,878)	(624,241)
NET CASH FLOWS PROVIDED (USED)			
BY OPERATING ACTIVITIES	<u>(316,146)</u>	<u>(305,013)</u>	<u>(621,159)</u>
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES			
Borrowing from General Fund	320,316	300,639	620,955
Interest Expense	-	68	68
NET CASH FLOWS PROVIDED (USED) BY			
NONCAPITAL FINANCING ACTIVITIES	<u>320,316</u>	<u>300,707</u>	<u>621,023</u>
NET INCREASE (DECREASE) IN CASH	4,170	(4,306)	(136)
BEGINNING CASH AND CASH EQUIVALENTS	<u>108,744</u>	<u>113,822</u>	<u>222,566</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 112,914</u></u>	<u><u>\$ 109,516</u></u>	<u><u>\$ 222,430</u></u>
RECONCILIATION OF NET OPERATING			
INCOME TO NET CASH PROVIDED			
(USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (365,268)	\$ (318,965)	\$ (684,233)
Adjustments to Reconcile Net Operating Income to Net			
Cash Provided (Used) by Operating Activities:			
Depreciation	41,014	18,925	59,939
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable (net)	3,321	(13,837)	(55,548)
(Increase) Decrease in Prepaid Items	(2,926)	(2,389)	(5,315)
Increase (Decrease) in Accounts Payable	(252)	934	2,914
Increase (Decrease) in Accrued Liabilities	1,818	1,308	12,882
Increase (Decrease) in Accrued Comp. Absences	6,147	9,011	37,247
NET CASH FLOWS PROVIDED (USED)			
BY OPERATING ACTIVITIES	<u><u>\$ (316,146)</u></u>	<u><u>\$ (305,013)</u></u>	<u><u>\$ (621,159)</u></u>

See accompanying notes to basic financial statements.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Proprietary type funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and ARB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below:

1. REPORTING ENTITY

Component Units

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; thus, data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

Blended Component Unit

The Helotes Economic Development Corporation, a nonprofit corporation, was incorporated under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6, Section 4B. The Corporation is organized exclusively for public purposes of the City of Helotes, and the City Council appoints directors of the Corporation. It receives all proceeds from assessing a .005% sales tax. For financial reporting purposes, the Corporation is reported as if it were part of the City's operations because its purpose is to benefit the citizens of the City. Separate financial statements for the Corporation may be obtained by contacting the City's Finance Department.

Discretely Presented Component Units

As of September 30, 2013, the City had no component units that would require a discrete presentation in the financial statements.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City and its component unit. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. The primary government is reported within the government wide statements. Business-type activities are financed in whole or in part, by fees charged to external parties for goods and services. The City has no fiduciary funds.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund, Debt Service Fund, and Economic Development Corporation meet the criteria as **major governmental funds**. All of these funds are reflected in single columns in the Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. The Dispatch and Emergency Medical Services funds are **major proprietary funds**.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year which they are levied. Major revenue types, which have been accrued, include revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unavailable revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

The government reports the following major governmental funds:

The General Fund is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, development services and capital acquisition.

Economic Development Corporation is used to account for sales tax proceeds collected to promote economic development in the City.

Debt Service Fund is used to account for resources and expenditures relating to principal and interest payments on outstanding debt.

The City has one nonmajor governmental fund for fiscal year 2013: Capital Projects Fund.

Proprietary fund level financial statements are used to account for activities similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's proprietary funds include the Dispatch and Emergency Medical Service.

The Proprietary Funds are accounted for using the accrual basis of accounting as follows:

- a. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
- b. Current year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

4. CASH AND EQUIVALENTS

Cash and equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City, including local government investments pools.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1 and past due after the following January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unavailable revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

6. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements.

7. PREPAID ITEMS

Payments made for goods and services to be received in future periods are recorded on the balance sheet as a prepaid item.

8. CAPITAL ASSETS

Capital assets, which include land, buildings, vehicles and equipment, capital leases and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets, such as equipment, are defined as assets with a cost of \$5,000 or more. Infrastructure assets include City-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest has not been capitalized during the construction period on property and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 to 40 years
Vehicles and Equipment	5 to 25 years
Infrastructure	20 years
Capital Leases	10 years

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. COMPENSATED ABSENCES

The City permits employees to accumulate earned but unused vacation pay benefits up to the amount earned as defined in the personnel policy. Unused personal leave may be accumulated to certain limits. In the event of termination, no reimbursement is made for accumulated personal leave and, accordingly, no liability is reported for unpaid accumulated personal leave.

Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the proprietary fund and government-wide statements.

10. UNAVAILABLE/UNEARNED REVENUE

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue not expected to be available for the current period are reflected as unavailable revenue.

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

11. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bond issues, bond premiums and discounts are amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. FUND BALANCE

Fund balances in governmental funds are classified as follows:

Nonspendable - Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. FUND BALANCE (Continued)

Committed - Represents amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned - Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council may make assignments and has chosen not to delegate that authority to any other individuals.

Unassigned - Represents the residual balance that may be spent on any other purpose of the City.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City wishes restricted balances to be spent first, committed second, and assigned third.

13. NET POSITION

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

14. INTERFUND TRANSACTIONS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds in the other financing sources and uses and of proprietary funds after the nonoperating revenues and expenses.

15. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

For the year ended September 30, 2013, the City implemented the following statements of financial accounting standards issued by the Governmental Accounting Standards Board:

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities

GASB Statements No. 63 and 65 established standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a financial statement position and related disclosures, as well as reclassify certain items that were previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows or inflows of resources.

As a result of recognizing certain items as outflows of resources or inflows of resources that were previously recognized as assets and liabilities, the City has recognized all remaining unamortized bond issue costs in the current year. As this did not materially misstate the financial statements, there has not been any restatement of previously reported amounts. Unavailable Revenue - Lease is now shown separate from liabilities as a deferred inflow of resources.

NOTE B -- CASH AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash

At September 30, 2013, the carrying amount of the primary government's (including the blended component unit's) cash on hand was \$250, the carrying amount of deposits was \$1,493,004 and the bank balance was \$1,545,054. Of the bank balances, \$250,000 was covered by federal deposit insurance and the City's depository had pledged securities having a face value of \$3,404,131 and market value of \$3,500,000 as collateral for the City's deposits. All of the City's cash was fully collateralized. The City and blended component unit also had funds at another financial institution with both the bank and carrying balance of \$245,423, respectively for each. These funds were fully secured by federal deposit insurance coverage.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE B -- CASH AND CASH INVESTMENTS (Continued)

2. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City has adhered to the requirements of the Act.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The City's investments consist of Texpool and a certificate of deposit. As of September 30, 2013, the City had \$15,606 invested at Texpool, a AAAM rated, public funds external investment pool that adheres to the Texas Public Funds Investment Act and is a 2a7-like pool. Money invested at Texpool is reported at share value, which approximates fair value. The City also invested in certificates of deposit at a local bank covered by FDIC insurance for a total of \$245,000.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

At September 30, 2013, the City's investments were all in TexPool, a public funds investment pool administered by the Texas Safekeeping Trust Company of the Comptroller's Office where all securities held maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally-recognized rating service. Financial statements for TexPool are included as part of the State of Texas Comprehensive Annual Financial Report.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE B -- CASH AND CASH INVESTMENTS (Continued)

3. Analysis of Specific Deposit and Investment Risks (Continued)

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

4. Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE B -- CASH AND CASH INVESTMENTS (Continued)

5. Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

NOTE C -- PROPERTY TAX CALENDAR

Taxes were levied on and payable as of October 1. The City has contracted with the Bexar County Tax Assessor-Collector to collect taxes on its behalf. Current year taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action.

For fiscal year 2013, the assessed tax rate for the City was \$0.355000 per \$100 on an assessed valuation of \$745,068,870, less applicable freeze adjustments. This is split as \$0.273140 for general maintenance and operations and \$0.081860 for interest and sinking. Total tax levy for fiscal year 2013 was \$2,635,251. As of September 30, 2013, the delinquent taxes were \$43,087 with an allowance for estimated uncollectible accounts recorded as \$3,016.

NOTE D -- RECEIVABLES

The following is a summary of the gross property taxes and charges for services receivable and the related allowances for uncollectible amounts:

	Amount Receivable	Allowance for Uncollectible Accounts	Net Receivable
<i>Taxes:</i>			
General Fund	\$ 33,152	\$ 2,321	\$ 30,831
Debt Service Fund	9,935	695	9,240
<i>Charges for Services:</i>			
Dispatch Fund	831	-	831
EMS Fund	112,306	57,589	54,717

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE D -- RECEIVABLES (Continued)

Other receivables as of September 30, 2013 for the City's individual major funds are as follows:

	General	EDC
Sales Taxes	\$ 186,097	\$ 89,189
Franchise Fees	85,579	-
Interlocal Agreement	18,750	-
Tower Lease Receivable	15,201	-
Other	970	-
Total Other Receivables	<u>\$ 306,597</u>	<u>\$ 89,189</u>

NOTE E -- INTERFUND BALANCES

Interfund balances represent reimbursements for expenditures paid or cash received on behalf of other funds and are expected to be liquidated in the next fiscal year. Interfund balances between City funds at September 30, 2013 consist of the following:

Receivable Fund	Payable Fund	Amount	Reason
General Fund	Dispatch Fund	\$ 813,908	Initial Capital and reimbursement for costs
General Fund	Emergency Medical Services	918,324	Initial Capital and reimbursement for costs
General Fund	Economic Development Corporation	59,419	Reimbursement for costs
Total interfund balances		<u>\$ 1,791,651</u>	

NOTE F -- TRANSFERS

Transfers during the year ended September 30, 2013, were as follows.

Transfers Between Governmental Funds

Transfer Out	Transfer In	Amount	Purpose
Economic Development Corp.	Debt Service	\$ 293,413	<i>pledged revenue</i>
Economic Development Corp.	Capital Projects	35,000	<i>supplement funding</i>
Total Governmental Funds Transfers		<u>\$ 328,413</u>	

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE G -- DEFERRED INFLOW OF RESOURCES - LEASE REVENUE

The City is leasing land to Cingular Wireless for a period of 30 years for a cell phone tower. This agreement runs from September 1, 2005 through August 31, 2035. The first five years of the lease were prepaid and the remaining term is in annual installments.

The City is also leasing a parking lot to Northside Independent School District (NISD) for a term of 50 years. The entire lease was paid in advance and is being recognized over the term of the lease. The City may cancel the lease with written notice, but would be required to refund the pro-rata portion of unearned lease revenue. The balance of unrecognized parking lease revenue is shown as a deferred inflow of resources on the Balance Sheet and the Statement of Net Position.

Fiscal Year Ending September 30,	Minimum Future Lease Revenue		
	Tower Lease	Parking Lease	Total
2014	\$ 15,657	\$ 2,533	\$ 18,190
2015	16,127	2,533	18,660
2016	16,611	2,533	19,144
2017	17,109	2,533	19,642
2018	17,622	2,533	20,155
2019-2023	96,366	12,665	109,031
2024-2028	111,715	12,665	124,380
2029-2033	128,508	12,665	141,173
2034-2038	28,279	12,665	40,944
2039-2043	-	12,665	12,665
2044-2048	-	12,665	12,665
2049-2053	-	12,665	12,665
2054-2058	-	12,665	12,665
2059-2060	-	3,459	3,459
	<u>\$ 447,994</u>	<u>\$ 117,444</u>	<u>\$ 565,438</u>

NOTE H -- PLEDGED REVENUE

The Helotes Economic Development Corporation has pledged to reimburse the City for the debt service requirements of \$4,000,000 of the 2007 Series Certificates of Obligation through an interlocal agreement. Subject to the Corporation's availability of funds, the remaining pledged revenues are as follows:

Fiscal Year Ending September 30,	Pledged Revenue
2014	\$ 291,830
2015	294,953
2016	292,780
2017	295,313
2018	292,551
2019 - 2023	1,484,050
2024 - 2027	1,194,113
	<u>\$ 4,145,590</u>

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE I -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

<i>Governmental Activities</i>	Balance 10/1/2012	Additions	Disposals/ Transfers	Balance 9/30/2013
Land	\$ 1,561,140	\$ -	\$ -	\$ 1,561,140
Buildings	6,768,045	-	-	6,768,045
Vehicles & Equipment	2,302,389	164,287	(19,689)	2,446,987
Infrastructure	10,835,178	-	-	10,835,178
	<u>21,466,752</u>	<u>164,287</u>	<u>(19,689)</u>	<u>21,611,350</u>
Less Accumulated Depreciation				
Buildings	(964,644)	(221,632)	-	(1,186,276)
Vehicles & Equipment	(1,343,471)	(197,814)	19,689	(1,521,596)
Infrastructure	(7,552,938)	(216,370)	-	(7,769,308)
	<u>(9,861,053)</u>	<u>(635,816)</u>	<u>19,689</u>	<u>(10,477,180)</u>
Governmental Capital Assets, Net	<u>\$ 11,605,699</u>	<u>\$ (471,529)</u>	<u>\$ -</u>	<u>\$ 11,134,170</u>

Land is not depreciated.

<i>Business-Type Activities</i>	Balance 10/1/2012	Additions	Disposals/ Transfers	Balance 9/30/2013
<u>Dispatch</u>				
Vehicles and Equipment	\$ 410,144	\$ -	\$ -	\$ 410,144
Accumulated Depreciation	<u>(95,700)</u>	<u>(41,014)</u>	<u>-</u>	<u>(136,714)</u>
Dispatch Capital Assets, Net	<u>314,444</u>	<u>(41,014)</u>	<u>-</u>	<u>273,430</u>
<u>EMS</u>				
Vehicles & Equipment	171,254	-	-	171,254
Accumulated Depreciation	<u>(34,953)</u>	<u>(18,925)</u>	<u>-</u>	<u>(53,878)</u>
EMS Capital Assets, Net	<u>136,301</u>	<u>(18,925)</u>	<u>-</u>	<u>117,376</u>
Business-Type Capital Assets, Net	<u>\$ 450,745</u>	<u>\$ (59,939)</u>	<u>\$ -</u>	<u>\$ 390,806</u>

Depreciation expense was charged to the governmental functions as follows:

City Administration	\$ 55,087
Municipal Court	5,761
Animal Control, Public Works	218,341
Building and Grounds	60,113
Police Department	156,563
Fire Department	139,951
Total Depreciation Expense - Governmental Activities	<u>\$ 635,816</u>

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE J -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2013 comprise the following individual issues:

Certificates of Obligation:

\$1,500,000 2002 Combination Tax and Limited-Pledge Revenue Certificates of
Obligation due in annual installments through 2017; interest at 3.75-4.35%. \$ 515,000

\$10,000,000 2007 Combination Tax and Limited-Pledge Revenue Certificates of
Obligation due in annual installments through 2027; interest at 3.93%.
The EDC has pledged to cover a portion of this debt (see note G) 7,935,000

Total Governmental Long-Term Obligations \$ 8,450,000

Changes in Long-Term Liabilities

	Balance 10/1/2012	Additions	Reductions	Balance 9/30/2013	Due Within One Year
<i>Governmental Activities</i>					
Series 2002	\$ 630,000	\$ -	\$ (115,000)	\$ 515,000	\$ 120,000
Series 2007	8,345,000	-	(410,000)	7,935,000	425,000
Total Bonded Debt	<u>8,975,000</u>	<u>-</u>	<u>(525,000)</u>	<u>8,450,000</u>	<u>545,000</u>
Capital Lease	104,987	84,340	(64,903)	124,424	63,787
Compensated Absences	174,696	47,255	-	221,951	221,951
Total Governmental Activities	<u>\$ 9,254,683</u>	<u>\$ 131,595</u>	<u>\$ (589,903)</u>	<u>\$ 8,796,375</u>	<u>\$ 830,738</u>
<i>Business-type Activities</i>					
Compensated Absences	\$ 22,089	\$ 15,158	\$ -	\$ 37,247	\$ 37,247
Total Business-Type Activities	<u>\$ 22,089</u>	<u>\$ 15,158</u>	<u>\$ -</u>	<u>\$ 37,247</u>	<u>\$ 37,247</u>

The general long-term debt bonds mature serially through 2027 as follows:

Year Ending September 30,	Principal	Interest	Total
2014	\$ 545,000	\$ 322,759	\$ 867,759
2015	570,000	300,639	870,639
2016	595,000	277,370	872,370
2017	625,000	252,895	877,895
2018	500,000	230,495	730,495
2019 - 2023	2,860,000	831,589	3,691,589
2024 - 2027	<u>2,755,000</u>	<u>222,340</u>	<u>2,977,340</u>
	<u>\$ 8,450,000</u>	<u>\$ 2,438,087</u>	<u>\$ 10,888,087</u>
Average Annual Debt Service Requirement			<u><u>\$ 725,872.47</u></u>

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE J -- LONG-TERM DEBT (Continued)

The City leased 5 police vehicles in April 2011. The lease calls for annual payments of \$28,805 through April 2014. The City leased two additional police vehicles in October 2011 and a code enforcement vehicle in February 2012. In April 2013, the City entered into another lease agreement for three more vehicles. All of the leases have effective interest rates between 6.1% and 6.6% and have bargain purchase options of \$1 upon maturity. Future minimum lease payments are as follows:

Year Ending September 30,	Lease Payments
2014	\$ 71,570
2015	42,765
2016	22,999
	<u>137,334</u>
Less: Interest Amount	<u>(12,910)</u>
	<u><u>\$ 124,424</u></u>

The following is an analysis of the property under capital lease as of September 30, 2013:

Transportation & Equipment	\$ 261,166
Less: Accumulated Depreciation	<u>(133,909)</u>
Net Leased Property	<u><u>\$ 127,257</u></u>

NOTE K -- DEFICIT PROPRIETARY NET POSITION

The City started two new business-type activities in the fiscal year ending September 30, 2011: dispatch and EMS. Both activities had significant costs to begin and have borrowed money from the General Fund in their infancy. The Dispatch and EMS funds ended the year with a deficit in net position of \$439,014 and \$672,162, respectively. The City anticipates charges for services to cover the cost a third party subcontractor would charge for the same services, repay these borrowings to the General Fund, and restore the net position deficit.

NOTE L – PENSION PLAN

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the city are within the options available in the governing state statutes of TMRS. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for TMRS. The report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE L -- PENSION PLAN (Continued)

The plan provisions are adopted by the governing body of the City, within options available in state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2012</u>	<u>Plan Year 2013</u>
Employee Deposit Rate	6.00%	6.00%
Matching Ratio (City to Employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	0%	100%, Transfers
Annuity Increase (to retirees)	0% of CPI	70% of CPI

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

The annual pension cost and net pension obligation/(asset) are as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
2011	\$ 136,353	100%	-
2012	\$ 106,197	100%	-
2013	\$ 112,769	100%	-

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE L -- PENSION PLAN (Continued)

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

Actuarial Valuation Date	12/31/2010	12/31/2011	12/31/2012
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	23.3 years - Closed Period	16.3 years - Closed Period	15.8 years - Closed Period
Amortization Period for new Gains/Losses	25 Years	25 Years	25 Years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Investment Rate of Return	7.00%	7.00%	7.00%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Inflation Rate	3.0%	3.0%	3.0%
Cost-of-Living Adjustments	0.0%	0.0%	0.0%

The funded status as of December 31, 2012, the most recent actuarial valuation date, is presented as follows:

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funding Ratio (1)/(2)	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
2012	\$ 3,057,356	\$ 3,482,610	87.8%	\$ 425,254	\$2,618,974	16.2%

The schedule of funding progress as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE L -- PENSION PLAN (Continued)

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

NOTE M -- OTHER POST EMPLOYMENT BENEFIT

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's annual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate, as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended September 30, 2013, 2012 and 2011 were \$2,953, \$3,201, and \$3,483, respectively, and were equal to the required contributions each year.

NOTE N -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2013 were \$105,097 for property and casualty and workers compensation coverage.

CITY OF HELOTES, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2013

NOTE O -- COMMITMENTS AND CONTINGENCIES

Litigation

Continental Homes of Texas, L.P. has filed a lawsuit against the City in the Bexar County District Court regarding building permit requirements, as defined by the City's building code regulations. The outcome of this suit cannot be determined as of the date of this report.

Management is unaware of any other pending or threatened claims that may have a material effect on the City's financial position.

380 Development Agreements

The City of Helotes and the Economic Development Corporation have entered into a 380 Economic Development Agreement to encourage growth within the City. The Agreement involves the City and Corporation reimbursing the project costs through refunding a portion of the sales and use taxes generated by the projects up to a maximum amount. The City is accruing an estimated sales tax rebate as of September 30, 2013 based on the sales tax collections to date in anticipation of the developer's request for payment. The terms of the agreement are as follows:

<u>Development</u>	<u>Sales Tax Refund Agreement</u>		<u>Maximum</u>	<u>Term</u>
	<u>Corporation</u>	<u>City</u>	<u>Grant</u> <u>Amount</u>	
Bandera Helotes Plaza	50%	50%	\$ 300,000	10 years

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Economic Development Corporation
- Schedule of Funding Progress – Defined Benefit Retirement Plan

CITY OF HELOTES, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR 2012)

	Budget Amounts		2013 Actual Amounts	Variance Favorable (Unfavorable)	2012 Actual Amounts
	Original	Final			
REVENUES					
Taxes	\$ 3,074,375	\$ 3,074,375	\$ 2,987,294	\$ (87,081)	\$ 2,780,870
Franchise Fees	615,365	615,365	477,344	(138,021)	442,683
Licenses and Permits	265,210	265,210	489,073	223,863	356,245
Municipal Court	426,100	491,882	309,419	(182,463)	412,014
Fire Department	76,845	76,845	75,081	(1,764)	76,695
Interest	6,270	6,270	3,767	(2,503)	6,073
Miscellaneous	59,015	118,387	172,989	54,602	103,558
<i>Total Revenues</i>	<u>4,523,180</u>	<u>4,648,334</u>	<u>4,514,967</u>	<u>(133,367)</u>	<u>4,178,138</u>
EXPENDITURES					
<i>City Council:</i>					
Seminars	100	-	-	-	-
Reimbursements	1,500	2,891	2,891	-	1,952
<i>Total City Council</i>	<u>1,600</u>	<u>2,891</u>	<u>2,891</u>	<u>-</u>	<u>1,952</u>
<i>City Administration:</i>					
Personnel	251,425	255,820	256,459	(639)	241,735
Insurance	49,560	60,919	60,919	-	54,650
Contractual	191,535	266,307	266,104	203	231,345
Supplies and Maintenance	64,025	90,726	90,296	430	74,654
<i>Total City Administration</i>	<u>556,545</u>	<u>673,772</u>	<u>673,778</u>	<u>(6)</u>	<u>602,384</u>
<i>City Secretary:</i>					
Personnel	77,515	77,897	78,092	(195)	76,065
Contractual	15,835	18,234	18,216	18	16,023
Supplies and Maintenance	1,345	1,111	957	154	1,235
<i>Total City Secretary</i>	<u>94,695</u>	<u>97,242</u>	<u>97,265</u>	<u>(23)</u>	<u>93,323</u>
<i>Human Resources:</i>					
Personnel	14,370	14,363	14,445	(82)	13,321
<i>Total Human Resources</i>	<u>\$ 14,370</u>	<u>\$ 14,363</u>	<u>\$ 14,445</u>	<u>\$ (82)</u>	<u>\$ 13,321</u>

CITY OF HELOTES, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR 2012)

	Budget Amounts		2013 Actual Amounts	Variance Favorable (Unfavorable)	2012 Actual Amounts
	Original	Final			
EXPENDITURES (CONT.)					
<i>Municipal Court:</i>					
Personnel	\$ 202,685	\$ 192,367	\$ 190,760	\$ 1,607	\$ 197,067
Contractual	51,755	46,810	73,135	(26,325)	66,730
<i>Total Municipal Court</i>	<u>254,440</u>	<u>239,177</u>	<u>263,895</u>	<u>(24,718)</u>	<u>263,797</u>
<i>Animal Control, Public Works:</i>					
Personnel	136,110	112,696	112,058	638	114,152
Contractual	74,400	82,301	82,716	(415)	60,750
Supplies and Maintenance	15,245	11,995	11,414	581	14,800
Capital Outlay	15,000	12,394	12,394	-	35,689
<i>Total Animal Control, Public Works</i>	<u>240,755</u>	<u>219,386</u>	<u>218,582</u>	<u>804</u>	<u>225,391</u>
<i>Development Services:</i>					
Personnel	52,755	53,326	53,160	166	51,354
Contractual	2,250	4,428	39,397	(34,969)	1,657
<i>Total Development Services</i>	<u>55,005</u>	<u>57,754</u>	<u>92,557</u>	<u>(34,803)</u>	<u>53,011</u>
<i>Buildings and Grounds:</i>					
Contractual	78,155	89,242	89,154	88	77,705
Supplies and Maintenance	1,575	5,782	5,565	217	1,443
Community Events	57,000	64,901	64,463	438	72,522
Utilities	91,950	93,394	92,672	722	91,242
Capital Outlay	-	-	-	-	4,902
<i>Total Buildings and Grounds</i>	<u>228,680</u>	<u>253,319</u>	<u>251,854</u>	<u>1,465</u>	<u>247,814</u>
<i>Police Department:</i>					
Personnel	1,190,530	1,172,413	1,172,053	360	1,162,555
Contractual	43,370	47,214	47,207	7	51,901
Supplies and Maintenance	143,000	224,599	230,490	(5,891)	146,573
Capital Outlay	57,995	54,341	59,049	(4,708)	83,867
<i>Total Police Department</i>	<u>\$ 1,434,895</u>	<u>\$ 1,498,567</u>	<u>\$ 1,508,799</u>	<u>\$ (10,232)</u>	<u>\$ 1,444,896</u>

CITY OF HELOTES, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR 2012)

	Budget Amounts		2013 Actual Amounts	Variance Favorable (Unfavorable)	2012 Actual Amounts
	Original	Final			
EXPENDITURES (CONT.)					
<i>Fire Department:</i>					
Personnel	\$ 867,497	\$ 847,016	\$ 850,371	\$ (3,355)	\$ 832,484
Contractual	14,285	15,484	14,884	600	17,153
Supplies and Maintenance	100,358	99,966	86,129	13,837	77,089
Capital Outlay	-	27,785	27,785	-	-
<i>Total Fire Department</i>	<u>982,140</u>	<u>990,251</u>	<u>979,169</u>	<u>11,082</u>	<u>926,726</u>
<i>Debt Service:</i>					
Principal	-	64,902	64,902	-	43,882
Interest and Fiscal Charges	-	6,667	6,667	-	4,688
<i>Total Debt Service</i>	<u>-</u>	<u>71,569</u>	<u>71,569</u>	<u>-</u>	<u>48,570</u>
TOTAL EXPENDITURES	<u>3,863,125</u>	<u>4,118,291</u>	<u>4,174,804</u>	<u>(56,513)</u>	<u>3,921,185</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>660,055</u>	<u>530,043</u>	<u>340,163</u>	<u>(189,880)</u>	<u>256,953</u>
Other Financing Sources (Uses)					
Lease Proceeds	-	84,340	84,340	-	72,018
Total Other Financing Sources (Uses)	<u>-</u>	<u>84,340</u>	<u>84,340</u>	<u>-</u>	<u>72,018</u>
Net Change in Fund Balance	660,055	614,383	424,503	(189,880)	328,971
BEGINNING FUND BALANCE	<u>2,587,951</u>	<u>2,587,951</u>	<u>2,587,951</u>	<u>-</u>	<u>2,258,980</u>
ENDING FUND BALANCE	<u>\$ 3,248,006</u>	<u>\$ 3,202,334</u>	<u>\$ 3,012,454</u>	<u>\$ (189,880)</u>	<u>\$ 2,587,951</u>

CITY OF HELOTES, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR 2012)

	<u>Budgeted Amounts</u>		2013	Variance	2012
	<u>Original</u>	<u>Final</u>	Actual	Favorable	Actual
			Amounts	(Unfavorable)	Amounts
REVENUES					
Taxes	\$ 447,939	\$ 447,939	\$ 465,886	\$ 17,947	\$ 344,590
Interest	2,150	2,150	1,442	(708)	1,664
TOTAL REVENUES	<u>450,089</u>	<u>450,089</u>	<u>467,328</u>	<u>17,239</u>	<u>346,254</u>
EXPENDITURES					
Personnel Costs	57,283	57,283	57,466	(183)	55,454
Professional Services	47,356	47,356	27,464	19,892	10,306
City Administration Cost	8,000	8,000	8,000	-	8,000
Training and Seminars	4,847	4,847	4,637	210	2,757
Office Supplies and Expenses	3,940	3,940	2,539	1,401	2,832
Insurance	-	-	-	-	960
Other Expenses	250	250	165	85	41,093
TOTAL EXPENDITURES	<u>121,676</u>	<u>121,676</u>	<u>100,271</u>	<u>21,405</u>	<u>121,402</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>328,413</u>	<u>328,413</u>	<u>367,057</u>	<u>38,644</u>	<u>224,852</u>
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) to Primary Government	<u>(328,413)</u>	<u>(328,413)</u>	<u>(328,413)</u>	<u>-</u>	<u>(289,701)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(328,413)</u>	<u>(328,413)</u>	<u>(328,413)</u>	<u>-</u>	<u>(289,701)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>38,644</u>	<u>38,644</u>	<u>(64,849)</u>
BEGINNING FUND BALANCE	<u>524,912</u>	<u>524,912</u>	<u>524,912</u>	<u>-</u>	<u>589,761</u>
ENDING FUND BALANCE	<u>\$ 524,912</u>	<u>\$ 524,912</u>	<u>\$ 563,556</u>	<u>\$ 38,644</u>	<u>\$ 524,912</u>

CITY OF HELOTES, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SEPTEMBER 30, 2013

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and, as such, is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund, Debt Service and Economic Development Corporation.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level, unless authorized by City Council. Actual expenditures exceeded the appropriated budget for 2013 in the General Fund; however, City Council authorized said expenditures through routine, monthly revenue and expenditure reports placed by City Staff onto City Council agendas, whereby current expenditures exceeding 100% of fiscal year 2013 budgeted expenditures were authorized and ratified.

Municipal Court –

The Municipal Court Contractual deficit resulted from expenditures made within Restricted Fund Court Technology that were not included as planned expenditures within the FYE 2013 Budget but were made pursuant to City Council Resolution No. 266.

Development Services –

The Development Services Contractual deficit resulted from expenditures made within Restricted Fund PEG that were not included as planned expenditures within the FYE 2013 Budget but were made pursuant to City Council Resolution No. 266.

Police Department –

The Police Department Supplies and Maintenance deficit resulted from expenditures made within Restricted Fund School Safety that were not included as planned expenditures within the FYE 2013 Budget but were made pursuant to City Council Resolution No. 266.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be reappropriated and honored during the subsequent year.

CITY OF HELOTES, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS – DEFINED BENEFIT PENSION PLAN
LAST SIX CALENDAR YEARS

CALENDAR YEAR	ACTUARIAL VALUE OF ASSETS **	ACTUARIAL ACCRUED LIABILITY*	FUNDING RATIO (1)/(2)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	ANNUAL COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
2007	\$ 1,208,350	\$ 1,561,454	77.4%	\$ 353,104	\$ 1,458,676	24.2%
2008	\$ 1,492,438	\$ 1,763,870	84.6%	\$ 271,432	\$ 1,689,882	16.1%
2009	\$ 1,816,789	\$ 2,101,045	86.5%	\$ 284,256	\$ 1,878,667	15.1%
2010	\$ 2,284,728	\$ 2,524,433	90.5%	\$ 239,705	\$ 2,036,354	11.8%
2011	\$ 2,684,888	\$ 2,930,912	91.6%	\$ 413,997	\$ 2,378,436	17.4%
2012	\$ 3,057,356	\$ 3,482,610	87.8%	\$ 425,254	\$ 2,618,974	16.2%

* As of December 31 of the preceding year, the date of the actuarial valuation.

** Assets are stated at cost as of December 31 of the preceding year.



SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Balance Sheets – General Fund
- Comparative Balance Sheets – Economic Development Corporation
- Comparative Statements – Debt Service Fund
- Comparative Statements – Capital Projects Fund

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and Investments	\$ 920,581	\$ 855,100
Certificate of Deposit	245,000	490,051
Receivables:		
Property Taxes (Net of Allowance)	30,831	31,703
Sales Tax and Other Receivables	306,597	258,196
Due from Other Funds	1,791,651	1,228,264
Prepaid Items	1,744	-
TOTAL ASSETS	<u><u>\$ 3,296,404</u></u>	<u><u>\$ 2,863,314</u></u>
LIABILITIES		
<i>Liabilities:</i>		
Accounts Payable	\$ 71,955	\$ 70,332
Accrued Expenditures	64,877	56,090
Unavailable Revenue - Taxes	29,674	28,964
TOTAL LIABILITIES	<u><u>166,506</u></u>	<u><u>155,386</u></u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Lease	117,444	119,977
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>117,444</u></u>	<u><u>119,977</u></u>
FUND BALANCES		
Nonspendable:		
Prepaid Items	1,744	-
Restricted For:		
Court Technology and Security	15,665	26,167
School Crossing	33,813	23,450
Police Department	5,286	5,882
PEG Capital Fees	31,702	35,890
Unassigned	2,924,244	2,496,562
TOTAL FUND BALANCES	<u><u>3,012,454</u></u>	<u><u>2,587,951</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 3,296,404</u></u>	<u><u>\$ 2,863,314</u></u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and Investments	\$ 544,321	\$ 93,836
Certificate of Deposit	-	490,039
Accounts Receivable - State	89,189	64,016
Prepaid Items	<u>440</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 633,950</u></u>	<u><u>\$ 647,891</u></u>
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 4,964	\$ 225
Accrued Liabilities	6,011	5,767
Due to Other Funds	<u>59,419</u>	<u>116,987</u>
<i>Total Liabilities</i>	<u><u>70,394</u></u>	<u><u>122,979</u></u>
<i>Fund Balance:</i>		
Nonspendable:		
Prepaid Items	440	-
Restricted for Economic Development Corporation	<u>563,116</u>	<u>524,912</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 633,510</u></u>	<u><u>\$ 647,891</u></u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and Investments	\$ 119,642	\$ 86,408
Taxes Receivable (Net of Allowances)	<u>9,240</u>	<u>8,677</u>
TOTAL ASSETS	<u><u>\$ 128,882</u></u>	<u><u>\$ 95,085</u></u>
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Unavailable Revenue	<u>\$ 8,893</u>	<u>\$ 7,927</u>
<i>Total Liabilities</i>	<u><u>8,893</u></u>	<u><u>7,927</u></u>
<i>Fund Balance:</i>		
Restricted for Debt Service	<u>119,989</u>	<u>87,158</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 128,882</u></u>	<u><u>\$ 95,085</u></u>

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
DEBT SERVICE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
REVENUES		
Taxes	\$ 608,958	\$ 568,235
Interest	237	291
TOTAL REVENUES	<u>609,195</u>	<u>568,526</u>
EXPENDITURES		
Principal Payments	525,000	500,000
Interest and Fiscal Charges	344,777	364,746
TOTAL EXPENDITURES	<u>869,777</u>	<u>864,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(260,582)</u>	<u>(296,220)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	<u>293,413</u>	<u>289,701</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>293,413</u>	<u>289,701</u>
Net Change in Fund Balance	32,831	(6,519)
BEGINNING FUND BALANCE	<u>87,158</u>	<u>93,677</u>
ENDING FUND BALANCE	<u>\$ 119,989</u>	<u>\$ 87,158</u>

CITY OF HELOTES, TEXAS
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND
SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and Investments	<u>\$ 192,732</u>	<u>\$ 168,354</u>
TOTAL ASSETS	<u><u>\$ 192,732</u></u>	<u><u>\$ 168,354</u></u>
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	<u>\$ 250</u>	<u>\$ 2,502</u>
<i>Total Liabilities</i>	<u>250</u>	<u>2,502</u>
<i>Fund Balance:</i>		
Committed for Capital Projects	<u>192,482</u>	<u>165,852</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 192,732</u></u>	<u><u>\$ 168,354</u></u>

CITY OF HELOTES, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
REVENUES		
Interest	\$ 345	\$ 460
Miscellaneous	<u>3,600</u>	<u>8,317</u>
TOTAL REVENUES	<u>3,945</u>	<u>8,777</u>
EXPENDITURES		
Capital Outlay	<u>12,315</u>	<u>39,924</u>
TOTAL EXPENDITURES	<u>12,315</u>	<u>39,924</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,370)</u>	<u>(31,147)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	<u>35,000</u>	<u>-</u>
TOTAL OTHER FINANCING	<u>35,000</u>	<u>-</u>
Net Change in Fund Balance	26,630	(31,147)
BEGINNING FUND BALANCE	<u>165,852</u>	<u>196,999</u>
ENDING FUND BALANCE	<u><u>\$ 192,482</u></u>	<u><u>\$ 165,852</u></u>



STATISTICAL SECTION

The following unaudited Statistical Tables reflect social and economic data, financial trends and fiscal capacity of the City.

This part of the City of Helotes' comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Helotes' overall financial health

Contents

Financial Trends – Tables 1 through 5

These schedules contain trend information to help the reader understand how Helotes' financial performance and well-being have changed over time.

Revenue Capacity – Tables 6 through 9

These schedules contain information to help the reader assess Helotes' most significant local revenue source, the property tax.

Debt Capacity – Tables 10 and 11

These schedules present information to help the reader assess the affordability of Helotes' current levels of outstanding debt and our ability to issue additional debt.

Demographic and Economic Information – Tables 12 and 13

These schedules offer demographic and economic indicators to help the reader understand the environment within which Helotes' financial activities take place.

CITY OF HELOTES, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
Governmental Activities				
Net Investment in Capital Assets	\$ 1,296,281	\$ 1,097,466	\$ 1,111,537	\$ 2,427,960
Restricted	366,541	300,140	155,974	200,465
Unrestricted	1,320,044	1,877,376	2,709,920	2,646,306
Total Governmental Activities	<u>\$ 2,982,866</u>	<u>\$ 3,274,982</u>	<u>\$ 3,977,431</u>	<u>\$ 5,274,731</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government				
Net Investment in Capital Assets	\$ 1,296,281	\$ 1,097,466	\$ 1,111,537	\$ 2,427,960
Restricted	366,541	300,140	155,974	200,465
Unrestricted	1,320,044	1,877,376	2,709,920	2,646,306
Total Primary Government	<u>\$ 2,982,866</u>	<u>\$ 3,274,982</u>	<u>\$ 3,977,431</u>	<u>\$ 5,274,731</u>

TABLE 1

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 2,441,885	\$ 2,801,984	\$ 2,695,447	\$ 2,609,738	\$ 2,525,712	\$ 2,559,746
83,401	63,784	188,397	110,315	124,744	157,397
3,012,194	2,949,816	2,893,635	2,907,932	3,110,618	3,489,749
<u>\$ 5,537,480</u>	<u>\$ 5,815,584</u>	<u>\$ 5,777,479</u>	<u>\$ 5,627,985</u>	<u>\$ 5,761,074</u>	<u>\$ 6,206,892</u>
\$ -	\$ -	\$ -	\$ 510,684	\$ 450,745	\$ 390,806
-	-	-	-	-	-
-	-	-	(362,016)	(877,756)	(1,501,982)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,668</u>	<u>\$ (427,011)</u>	<u>\$ (1,111,176)</u>
\$ 2,441,885	\$ 2,801,984	\$ 2,695,447	\$ 3,120,422	\$ 2,976,457	\$ 2,950,552
83,401	63,784	188,397	110,315	124,744	157,397
3,012,194	2,949,816	2,893,635	2,545,916	2,232,862	1,987,767
<u>\$ 5,537,480</u>	<u>\$ 5,815,584</u>	<u>\$ 5,777,479</u>	<u>\$ 5,776,653</u>	<u>\$ 5,334,063</u>	<u>\$ 5,095,716</u>

CITY OF HELOTES, TEXAS
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
Primary Government Expenses				
<i>Governmental Activities:</i>				
City Council	\$ 1,132	\$ 1,234	\$ 1,113	\$ 7,453
City Administration	208,842	254,978	403,898	594,178
City Secretary	87,136	83,830	94,053	105,019
Human Resources	-	-	-	-
Municipal Court	204,993	204,596	239,610	242,857
Animal Control, Public Works	-	-	-	-
Development Services	411,353	373,358	475,063	851,508
Buildings and Grounds	24,137	33,786	46,765	91,125
Police Department	903,895	1,049,403	1,031,767	1,316,587
Emergency Services	123,565	133,992	164,314	176,600
Fire Department	326,142	392,588	456,722	743,250
Capital Outlay	9,352	126,175	59,473	129,419
Interest and Fiscal Charges on Long-Term Debt	82,435	88,624	67,063	170,039
<i>Total Governmental Activities Expenses</i>	<u>2,382,982</u>	<u>2,742,564</u>	<u>3,039,841</u>	<u>4,428,035</u>
<i>Business-Type Activities</i>				
Dispatch	-	-	-	-
Emergency Medical Services	-	-	-	-
<i>Total Business Type Activities Expenses</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Expenses	<u><u>\$ 2,382,982</u></u>	<u><u>\$ 2,742,564</u></u>	<u><u>\$ 3,039,841</u></u>	<u><u>\$ 4,428,035</u></u>
Program Revenues				
<i>Governmental Activities:</i>				
Charges for Services:				
Municipal Court	\$ 207,831	\$ 219,254	\$ 253,939	\$ 220,140
Animal Control, Public Works	-	-	-	-
Development Services	502,201	437,726	375,967	650,357
Buildings and Grounds	-	-	-	-
Police Department	-	-	-	-
Fire Department	112,870	75,554	149,651	231,975
Operating Grants and Contributions	-	88,626	18,564	8,812
Capital Grants and Contributions	-	-	-	1,393,304
<i>Total Governmental Activities Program Revenues</i>	<u>822,902</u>	<u>821,160</u>	<u>798,121</u>	<u>2,504,588</u>
<i>Business-Type Activities:</i>				
Charges for Services:				
Dispatch	-	-	-	-
Emergency Medical Services	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Program Revenues	<u><u>\$ 822,902</u></u>	<u><u>\$ 821,160</u></u>	<u><u>\$ 798,121</u></u>	<u><u>\$ 2,504,588</u></u>

TABLE 2

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 2,709	\$ 4,607	\$ 1,601	\$ 2,220	\$ 1,952	\$ 2,891
204,334	285,686	658,203	680,091	777,467	830,758
107,279	109,745	89,391	95,229	92,634	99,534
-	-	-	13,358	13,321	14,445
318,373	297,403	236,389	245,506	272,767	269,700
-	-	260,390	389,432	417,889	433,462
539,247	455,910	56,236	53,911	51,626	93,908
184,029	171,832	242,053	360,351	297,025	324,282
1,526,649	1,697,362	1,664,264	1,505,223	1,545,810	1,558,849
193,781	246,857	259,704	-	-	-
872,148	902,743	917,726	1,156,926	1,120,975	1,106,778
-	-	-	-	-	-
527,658	424,361	406,506	383,924	372,892	416,689
4,476,207	4,596,506	4,792,463	4,886,171	4,964,358	5,151,296
-	-	-	273,290	319,658	370,269
-	-	-	281,390	440,165	455,302
-	-	-	554,680	759,823	825,571
\$ 4,476,207	\$ 4,596,506	\$ 4,792,463	\$ 5,440,851	\$ 5,724,181	\$ 5,976,867
\$ 305,271	\$ 349,424	\$ 305,338	\$ 302,741	\$ 363,923	\$ 259,967
-	-	-	3,951	3,150	4,464
391,942	250,807	261,620	271,218	353,095	484,609
-	-	14,853	16,790	-	-
-	39,080	73,990	83,771	48,091	49,452
335,327	306,778	75,305	75,060	76,695	75,081
1,612	6,459	17,607	7,168	10,594	8,665
54,806	1,950	-	416,050	-	-
1,088,958	954,498	748,713	1,176,749	855,548	882,238
-	-	-	54,000	68,729	5,001
-	-	-	82,080	115,415	136,337
-	-	-	136,080	184,144	141,338
\$ 1,088,958	\$ 954,498	\$ 748,713	\$ 1,312,829	\$ 1,039,692	\$ 1,023,576

CITY OF HELOTES, TEXAS
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
Primary Government Net Expenses				
Governmental Activities	\$ (1,560,080)	\$ (1,921,404)	\$ (2,241,720)	\$ (1,923,447)
Business-Type Activities	-	-	-	-
Total Primary Government Net Expenses	<u>\$ (1,560,080)</u>	<u>\$ (1,921,404)</u>	<u>\$ (2,241,720)</u>	<u>\$ (1,923,447)</u>
General Revenues and Other Changes in Net Position				
<i>Governmental Activities:</i>				
Taxes:				
General Property Taxes	\$ 1,157,253	\$ 1,327,556	\$ 1,359,067	\$ 1,652,361
Sales Taxes	322,133	355,997	742,533	896,597
Franchise Taxes	183,824	248,077	303,519	326,173
Interest and Investment earnings	32,401	61,725	88,426	316,697
Miscellaneous	31,003	60,960	21,897	28,919
Transfers	-	-	-	-
<i>Total Governmental General Revenues</i>	<u>1,726,614</u>	<u>2,054,315</u>	<u>2,515,442</u>	<u>3,220,747</u>
<i>Business-Type Activities:</i>				
Interest and Investment earnings	-	-	-	-
Transfers	-	-	-	-
<i>Total Business-Type General Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government General Revenues	<u>\$ 1,726,614</u>	<u>\$ 2,054,315</u>	<u>\$ 2,515,442</u>	<u>\$ 3,220,747</u>
Changes In Net Position				
Governmental Activities	\$ 166,534	\$ 132,911	\$ 273,722	\$ 1,297,300
Business-Type Activities	-	-	-	-
Total Primary Government	<u>\$ 166,534</u>	<u>\$ 132,911</u>	<u>\$ 273,722</u>	<u>\$ 1,297,300</u>

TABLE 2 (Cont.)

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ (3,387,249)	\$ (3,642,008)	\$ (4,043,750)	\$ (3,709,422)	\$ (4,108,810)	\$ (4,269,058)
-	-	-	(418,600)	(575,679)	(684,233)
<u>\$ (3,387,249)</u>	<u>\$ (3,642,008)</u>	<u>\$ (4,043,750)</u>	<u>\$ (4,128,022)</u>	<u>\$ (4,684,489)</u>	<u>\$ (4,953,291)</u>
\$ 2,181,026	\$ 2,579,291	\$ 2,632,523	\$ 2,626,085	\$ 2,635,240	\$ 2,639,461
766,305	763,063	871,043	970,912	1,054,778	1,424,354
369,790	359,770	392,595	455,020	442,683	477,344
304,641	196,791	74,450	21,114	8,488	5,791
28,236	21,197	35,034	54,065	100,710	167,926
-	-	-	(567,268)	-	-
<u>3,649,998</u>	<u>3,920,112</u>	<u>4,005,645</u>	<u>3,559,928</u>	<u>4,241,899</u>	<u>4,714,876</u>
-	-	-	-	-	68
-	-	-	567,268	-	-
-	-	-	567,268	-	68
<u>\$ 3,649,998</u>	<u>\$ 3,920,112</u>	<u>\$ 4,005,645</u>	<u>\$ 4,127,196</u>	<u>\$ 4,241,899</u>	<u>\$ 4,714,944</u>
\$ 262,749	\$ 278,104	\$ (38,105)	\$ (149,494)	\$ 133,089	\$ 445,818
-	-	-	148,668	(575,679)	(684,165)
<u>\$ 262,749</u>	<u>\$ 278,104</u>	<u>\$ (38,105)</u>	<u>\$ (826)</u>	<u>\$ (442,590)</u>	<u>\$ (238,347)</u>

CITY OF HELOTES, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
<i>Nonspendable Fund Balance:</i>				
Prepaid Items	\$ -	\$ -	\$ -	\$ 9,850
<i>Total Nonspendable Fund Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,850</u>
<i>Restricted Fund Balance:</i>				
Court Techonology and Security	27,649	18,614	23,960	29,502
School Crossing	-	2,280	2,076	1,949
Police Department	-	5,780	7,076	10,545
PEG Capital Fees	-	-	-	-
Economic Development Corporation	171,807	360,451	519,300	518,970
Debt Service	353,140	300,140	154,994	156,293
<i>Total Restricted Fund Balance</i>	<u>552,596</u>	<u>687,265</u>	<u>707,406</u>	<u>717,259</u>
<i>Committed Fund Balance:</i>				
Capital Projects	1,365,150	337,775	474,261	10,446,746
<i>Total Committed Fund Balance</i>	<u>1,365,150</u>	<u>337,775</u>	<u>474,261</u>	<u>10,446,746</u>
Unassigned Fund Balance	<u>1,349,826</u>	<u>1,571,825</u>	<u>1,720,985</u>	<u>1,776,946</u>
<i>Total Governmental Funds</i>	<u><u>\$3,267,572</u></u>	<u><u>\$2,596,865</u></u>	<u><u>\$2,902,652</u></u>	<u><u>\$12,950,801</u></u>

TABLE 3

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ -	\$ -	\$ 70,355	\$ -	\$ -	\$ 2,184
-	-	70,355	-	-	2,184
31,216	39,639	47,601	44,246	26,167	15,665
94	94	6,895	15,229	23,450	33,813
8,217	10,011	17,045	11,196	5,882	5,286
-	-	-	-	35,890	31,702
739,407	627,130	587,557	589,761	524,912	563,116
-	1,541	108,048	93,677	87,158	119,989
778,934	678,415	767,146	754,109	703,459	769,571
8,965,420	6,168,211	219,225	196,999	165,852	192,482
8,965,420	6,168,211	219,225	196,999	165,852	192,482
1,939,920	2,133,166	2,123,154	2,188,309	2,496,562	2,924,244
\$11,684,274	\$8,979,792	\$3,179,880	\$3,139,417	\$3,365,873	\$3,888,481

CITY OF HELOTES, TEXAS
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
REVENUES				
Taxes	\$ 1,477,011	\$ 1,681,235	\$ 2,109,539	\$ 2,543,744
Franchise Fees	183,824	248,077	303,519	326,173
Licenses and Permits	502,201	437,726	375,967	650,357
Municipal Court	207,831	219,254	253,939	220,140
Fire Department	112,870	75,554	149,651	231,975
Grants	-	88,626	18,564	81,116
Interest	32,401	58,360	88,427	316,698
Miscellaneous	31,003	64,324	21,897	28,918
TOTAL REVENUES	<u>2,547,141</u>	<u>2,873,156</u>	<u>3,321,503</u>	<u>4,399,121</u>
EXPENDITURES				
Current:				
City Council	1,132	1,234	1,113	7,453
City Administration	167,299	208,409	292,126	583,933
City Secretary	86,595	78,255	93,121	108,626
Human Resources	-	-	-	-
Municipal Court	204,588	204,831	242,023	240,577
Animal Control, Public Works	-	-	-	-
Development Services	300,948	339,267	380,918	301,993
Buildings and Grounds	24,137	33,786	46,765	532,771
Police Department	863,127	965,458	1,038,151	1,248,433
Emergency Services	123,565	133,992	164,314	176,600
Fire Department	256,003	329,965	385,266	650,322
Miscellaneous	159,294	198,439	120,851	-
Capital Outlay	65,470	1,074,453	37,333	266,054
Debt Service:				
Principal	160,142	168,317	181,634	115,000
Interest and Fiscal Charges	83,972	90,201	68,413	151,175
TOTAL EXPENDITURES	<u>2,496,272</u>	<u>3,826,607</u>	<u>3,052,028</u>	<u>4,382,937</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>50,869</u>	<u>(953,451)</u>	<u>269,475</u>	<u>16,184</u>
OTHER FINANCING SOURCES (USES)				
Volunteer Fire Department Contribution	-	-	-	-
Proceeds from Debt	-	-	-	10,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Net Change in Fund Balance	<u>\$ 50,869</u>	<u>\$ (953,451)</u>	<u>\$ 269,475</u>	<u>\$ 10,016,184</u>
Debt Service as a Percentage of				
Noncapital Expenditures	10.04%	9.39%	8.29%	6.47%

TABLE 4

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 2,932,471	\$ 3,323,816	\$ 3,520,791	\$ 3,591,052	\$ 3,693,695	\$ 4,062,138
369,790	362,180	392,595	455,020	442,683	477,344
391,942	237,716	234,617	269,821	356,245	489,073
305,271	388,504	379,329	386,512	412,014	309,419
335,327	308,328	75,305	75,060	76,695	75,081
8,278	-	10,171	416,050	-	-
304,640	196,787	74,444	21,117	8,488	5,791
28,239	41,147	84,738	85,537	111,875	176,589
4,675,958	4,858,478	4,771,990	5,300,169	5,101,695	5,595,435
2,709	4,607	1,601	2,220	1,952	2,891
198,646	284,472	635,668	624,710	723,786	774,049
98,777	100,969	86,891	92,184	93,323	97,265
-	-	-	13,358	13,321	14,445
308,281	285,401	230,933	260,169	263,797	263,895
-	-	157,826	164,919	189,702	206,188
53,407	94,209	55,596	53,974	53,011	92,557
389,461	389,759	182,595	245,973	242,912	251,854
1,405,025	1,592,574	1,583,501	1,359,034	1,361,029	1,449,750
193,781	246,857	259,704	-	-	-
777,597	811,176	828,372	941,619	926,726	951,384
-	-	-	-	-	-
1,649,450	2,850,076	5,692,182	800,496	164,382	111,543
300,000	480,000	455,000	503,805	543,882	589,902
565,351	422,860	402,033	383,828	369,434	351,444
5,942,485	7,562,960	10,571,902	5,446,289	4,947,257	5,157,167
(1,266,527)	(2,704,482)	(5,799,912)	(146,120)	154,438	438,268
-	-	-	-	-	-
-	-	-	105,657	72,018	84,340
-	-	-	105,657	72,018	84,340
\$ (1,266,527)	\$ (2,704,482)	\$ (5,799,912)	\$ (40,463)	\$ 226,456	\$ 522,608
20.16%	19.16%	17.56%	19.11%	18.91%	18.85%

CITY OF HELOTES, TEXAS
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales & Use</u>	<u>Franchise</u>	<u>Total</u>
2004	\$ 1,154,879	\$ 322,132	\$ 183,824	\$ 1,660,835
2005	1,325,238	355,997	248,077	1,929,312
2006	1,367,007	742,532	303,519	2,413,058
2007	1,647,147	896,597	326,173	2,869,917
2008	2,166,166	766,305	369,790	3,302,261
2009	2,563,162	760,654	362,180	3,685,996
2010	2,649,748	871,043	392,595	3,913,386
2011	2,620,140	970,912	455,020	4,046,072
2012	2,638,917	1,054,778	442,683	4,136,378
2013	2,637,784	1,424,354	477,344	4,539,482

CITY OF HELOTES, TEXAS
 ASSESSED VALUE AND ACTUAL TAXABLE PROPERTY
 LAST NINE FISCAL YEARS

TABLE 6

<u>Fiscal Year Ended September 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value*</u>	<u>Total Direct Tax Rate</u>
2005	\$ 345,546,011	\$ 35,217,961	\$ 10,525,659	\$ 370,238,313	0.355000
2006	370,197,824	45,535,638	12,037,921	403,695,541	0.336287
2007	447,112,505	50,241,650	14,075,491	483,278,664	0.336287
2008	597,429,473	67,132,639	18,807,600	645,754,512	0.336287
2009	639,537,759	113,424,621	45,305,554	707,656,826	0.363651
2010	653,565,423	115,942,834	47,975,420	721,532,837	0.363651
2011	652,132,270	120,241,773	49,651,853	722,722,190	0.363651
2012	663,227,472	120,004,340	51,751,163	731,480,649	0.360000
2013	677,033,974	124,391,838	56,356,942	745,068,870	0.355000

Source: Bexar Appraisal District.

* Total Taxable Assessed Value and Total Estimated Actual Value of taxable property is the same.
 The Taxable Assessed Value is further reduced by any freeze adjustments.

CITY OF HELOTES, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

TABLE 7

	City Direct Rates							
Fiscal Year	General Fund	Debt Service	Total Direct					
2004	0.309568	0.050432	0.360000					
2005	0.326100	0.028900	0.355000					
2006	0.336287	-	0.336287					
2007	0.301447	0.034840	0.336287					
2008	0.268311	0.067976	0.336287					
2009	0.275982	0.087669	0.363651					
2010	0.271140	0.092511	0.363651					
2011	0.282731	0.080920	0.363651					
2012	0.282640	0.077360	0.360000					
2013	0.273140	0.081860	0.355000					
				Overlapping Rates			Total	
Fiscal Year	Total Direct Rate	Northside ISD	University Health System	Alamo Community College	San Antonio River Authority	Bexar County	Direct and Overlapping Rates	
2004	0.360000	1.762500	0.243869	0.107050	0.016425	0.333671	2.823515	
2005	0.355000	1.762500	0.243869	0.107050	0.016425	0.331190	2.816034	
2006	0.336287	1.775000	0.243869	0.107050	0.016425	0.331190	2.809821	
2007	0.336287	1.592500	0.243869	0.137050	0.016045	0.326866	2.652617	
2008	0.336287	1.262500	0.237408	0.134550	0.015951	0.326866	2.313562	
2009	0.363651	1.302500	0.261022	0.135855	0.015951	0.326866	2.405845	
2010	0.363651	1.337500	0.266235	0.135855	0.015951	0.326866	2.446058	
2011	0.363651	1.365500	0.276235	0.141623	0.016652	0.326866	2.490527	
2012	0.360000	1.375500	0.276235	0.141623	0.017370	0.326866	2.497594	
2013	0.355000	1.375500	0.276235	0.149150	0.173700	0.296187	2.625772	

Source: Information furnished by Bexar County Tax Assessor - Collector

CITY OF HELOTES, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND SEVEN YEARS AGO

TABLE 8

Taxpayer	2013			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Helotes Town Centre LP	\$ 4,724,010	1	0.63%			
JDL Texas Ventures	4,068,310	2	0.55%			
Bandera Helotes Plaza LLC	4,033,660	3	0.54%			
White Turkey Creek LTD	3,872,640	4	0.52%			
TKGSM-TX LP	2,410,210	5	0.32%			
8990 Helotes Holdings LLC	2,390,500	6	0.32%			
Pela General Builders LLC	2,316,240	7	0.31%			
Shurgard Texas LTD	2,235,000	7	0.30%			
CVS Pharmacy Inc.	1,596,960	9	0.21%			
Leopard Enterprises LLC	1,525,290	10	0.20%			
Hill Country Crossing II Ltd.				\$ 977,100	1	0.24%
Iron Horse Building Cp., Ltd.				960,870	2	0.23%
Brian and Rebecca Senger				776,532	3	0.19%
Eugene Sprague				684,950	4	0.17%
Jerrold & Elsa Jolly				547,200	5	0.14%
Rene and Frances Spina				495,730	6	0.12%
Jim Koeller				463,110	7	0.11%
James and Beverly Pestello				429,040	8	0.10%
Total	<u>\$ 29,172,820</u>		<u>3.92%</u>	<u>\$ 5,334,532</u>		<u>1.30%</u>

Taxable value of \$745,068,870

Note: Information from nine years ago was not available. Information for 2006 is presented instead.

CITY OF HELOTES, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE 9

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	1,165,884	1,156,279	99.18%	9,091	1,165,370	99.96%
2005	1,314,208	1,302,990	99.15%	9,985	1,312,975	99.91%
2006	1,357,577	1,350,355	99.47%	6,659	1,357,014	99.96%
2007	1,625,203	1,611,852	99.18%	12,346	1,624,198	99.94%
2008	2,171,588	2,145,209	98.79%	24,315	2,169,524	99.90%
2009	2,574,083	2,532,144	98.37%	38,209	2,570,353	99.86%
2010	2,613,074	2,596,599	99.37%	12,044	2,608,643	99.83%
2011	2,614,869	2,591,187	99.09%	18,001	2,609,188	99.78%
2012	2,622,552	2,604,356	99.31%	11,154	2,615,510	99.73%
2013	2,635,251	2,618,686	99.37%	-	2,618,686	99.37%

Source: Bexar County Tax Assessor Collector

CITY OF HELOTES, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

TABLE 10

Fiscal Year	Governmental Activities			Total Primary Government	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Capital Leases		
2004	\$ 150,000	\$ 1,360,000	\$ 279,715	\$ 1,789,715	418
2005	125,000	1,285,000	211,398	1,621,398	378
2006	95,000	1,205,000	139,764	1,439,764	223
2007	65,000	11,120,000	71,471	11,256,471	1,742
2008	35,000	10,850,000	-	10,885,000	1,629
2009	-	10,405,000	-	10,405,000	1,329
2010	-	9,950,000	-	9,950,000	1,250
2011	-	9,475,000	76,852	9,551,852	1,301
2012	-	8,975,000	104,987	9,079,987	1,286
2013	-	8,450,000	124,424	8,574,424	1,088

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* Per Capita is derived by dividing the total debt by the population reported on the Demographic and Economic Statistics Table (Table 12)

CITY OF HELOTES, TEXAS
LEGAL DEBT MARGIN
LAST SEVEN FISCAL YEARS

Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of general obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in the levy of a tax for bonded debt of over \$1.00 for cities under a population of 5,000 or \$1.50 for the cities over 5,000 in population.

TABLE 11

Taxable Value	<u>\$ 745,068,870</u>
Debt Limit - 10% of taxable value [1]	\$ 74,506,887
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	\$ 8,574,424
Less Funds Available in Debt Service Fund	<u>119,989</u>
Total Amount of Debt Applicable to Debt Limit	<u>8,454,435</u>
Legal Debt Margin	<u>\$ 66,052,452</u>

	Fiscal Year		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 72,272,219	\$ 73,148,065	\$ 74,506,887
Total Net Debt Applicable to Debt Limit	<u>(9,458,175)</u>	<u>(8,992,829)</u>	<u>(8,454,435)</u>
Legal Debt Margin	<u>\$ 62,814,044</u>	<u>\$ 64,155,236</u>	<u>\$ 66,052,452</u>

	Fiscal Year		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 64,575,453	\$ 70,765,683	\$ 72,153,284
Total Net Debt Applicable to Debt Limit	<u>(10,885,000)</u>	<u>(10,403,459)</u>	<u>(9,841,952)</u>
Legal Debt Margin	<u>\$ 53,690,453</u>	<u>\$ 60,362,224</u>	<u>\$ 62,311,332</u>

	Fiscal Year
	<u>2007</u>
Debt Limit	\$ 48,327,866
Total Net Debt Applicable to Debt Limit	<u>(11,028,707)</u>
Legal Debt Margin	<u>\$ 37,299,159</u>

CITY OF HELOTES, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 12

Year	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2004	4,285	\$ 29,534	38.9	2,059	6.4%
2005	4,285	\$ 29,534	38.9	3,684	5.7%
2006	6,460	\$ 29,534	38.9	3,791	4.5%
2007	6,460	\$ 29,534	38.9	3,838	4.1%
2008	6,681	\$ 29,534	38.9	3,292	5.1%
2009	7,831	\$ 29,534	38.9	3,272	7.2%
2010	7,960	\$ 29,534	38.9	3,420	7.8%
2011	7,341	\$ 32,123	41.1	4,371	7.9%
2012	7,060	\$ 31,335	41.1	4,161	6.8%
2013	7,880	\$ 41,549	41.1	4,031	6.5%

Sources: Population, per capita income and median age information provided by the United States Census Bureau. School enrollment information was provided by the Northside Independent School District. Unemployment rate was provided by the Bureau of Labor Statistics.

CITY OF HELOTES, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND FOUR YEARS AGO

TABLE 13

Employer	2013			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland Air Force Base	37,097	1	3.66%	28,100	2	3.11%
Fort Sam Houston	32,000	2	3.16%	30,793	1	3.41%
HEB Food Stores	20,000	3	1.48%	14,852	3	1.65%
USAA	17,000	4	1.44%	14,588	4	1.62%
Northside ISD	12,751	5	1.26%	12,597	5	1.40%
City of San Antonio	11,731	6	1.09%	10,700	6	1.19%
Randolph Air Force Base	11,068	7	1.04%	10,223	7	1.13%
North East ISD	10,522	8	0.90%	9,000	8	1.00%
Methodist Healthcare System	8,000	9	0.77%	7,581	9	0.84%
San Antonio ISD	7,374	10	0.69%	7,013	10	0.78%
Total	167,543		15.49%	145,447		13.01%

The City of Helotes, Texas is surrounded by the City of San Antonio and no data is available for the employers in Helotes, Texas. The above data is for the City of San Antonio.

Information for nine years ago is not available; information for 2009 is presented instead.

Source: San Antonio Economic Development Foundation

